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HARTMARX STRATEGIES FOR GROWTH













HARTMARX

1987 ANNUAL REPORT

Years Ended November 30	1987	1986	Change
Net sales	$1,080,420,000	$1,063,011,000	1.6%
Net earnings	41,265,000	24,775,000	66.6%
Earnings per share	2.01	1.20	67.5%
Cash dividends paid per share	.98	.90⅓	8.5%
Equity per share at November 30	18.26	17.59	3.8%
Average number of common shares and common share equivalents	20,547,000	20,603,000	

HARTMARX CORPORATION FINANCIAL HIGHLIGHTS

Quarterly Financial and Common Share Information

Quarters	Net Sales (000's omitted)		
	1987	1986	1985
First	$ 282,687	$ 290,311	$ 288,800
Second	248,289	245,446	265,242
Third	256,505	252,851	267,498
Fourth	292,939	274,403	287,997
Total	$1,080,420	$1,063,011	$1,109,537

Quarters	Net Earnings Per Share		
	1987	1986	1985
First	$.54	$.40	$.67
Second	.40	.11	.47
Third	.30	.18	.37
Fourth	.77	.51	.74
Total	$2.01	$1.20	$2.25

Quarters	Gross Profit (000's omitted)		
	1987	1986	1985
First	$ 110,825	$ 118,232	$ 118,452
Second	108,279	105,535	114,870
Third	97,834	92,902	105,091
Fourth	129,049	118,306	129,878
Total	$ 445,987	$ 434,975	$ 468,291

Quarters	Fully Diluted Earnings Per Share		
	1987	1986	1985
First	$.54	$.40	$.62
Second	.40	.11	.44
Third	.30	.18	.36
Fourth	.77	.51	.68
Total	$2.01	$1.20	$2.10

Quarters	Net Earnings (000's omitted)		
	1987	1986	1985
First	$ 11,105	$ 8,310	$ 12,525
Second	8,265	2,255	8,860
Third	6,235	3,705	7,190
Fourth	15,660	10,505	14,085
Total	$ 41,265	$ 24,775	$ 42,660

Quarters	Cash Dividends Per Share		
	1987	1986	1985
First	$.23	$.21⅓	$.21⅓
Second	.25	.23	.21⅓
Third	.25	.23	.21⅓
Fourth	.25	.23	.21⅓
Total	$.98	$.90⅓	$.85⅓

Price Ranges of Common Shares

Hartmarx common shares are traded on the New York and Midwest Stock Exchanges. The quarterly composite price range for the past three years was:

	Fiscal 1987				Fiscal 1986				Fiscal 1985			
	Fourth	Third	Second	First	Fourth	Third	Second	First	Fourth	Third	Second	First
High	$33⅛	$34¼	$32½	$30	$32	$31	$29⅝	$28⅔	$24 1/12	$26 1/12	$26¼	$22⅛
Low	20½	27¼	26⅛	25¼	24	26	23⅜	23¼	20 11/12	21⅔	20 1/12	17⅛

All outstanding shares and per share amounts have been restated for the 3-for-2 stock split in May, 1986.

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TO OUR SHAREHOLDERS

Hartmarx Corporation is at a unique time in its history. While reflecting back with great pride on its successful first century—celebrated in our 1987 Centennial—your company now looks ahead to a bright future shaped by important growth strategies developed during the eventful first year under the direction of the Office of the Chairman. Much progress has been realized by creating a strong foundation for growth, and an objective of this year's annual report is to highlight our actions and strategies for the future, particularly our plans to increase sales and earnings.

Sales were $1.08 billion in 1987 compared to $1.06 billion in 1986, which included Chas. A. Stevens for two months prior to its January 31, 1986 sale. Fiscal 1987 earnings increased 67 percent to $41.3 million or $2.01 per share from $24.8 million or $1.20 per share. Pre-tax earnings increased 52 percent; income tax rates dropped from 47.9 percent of pre-tax earnings for 1986 to 42.7 percent for 1987 and are dropping again in 1988. The 1987 Centennial concluded with the positive achievement in the fourth quarter of the highest earnings ever reported for any quarter.

Hartmarx Specialty Stores largely recovered, during the last half of 1987, from the centralization transition which adversely impacted sales, gross profit and expenses and resulted in a retail operating loss for 1986. However, these earnings are still below pre-centralization levels, and there is a great opportunity for substantial improvement. The repositioned Kuppenheimer, after upgrading the clothing it produces and remodeling its stores, also returned to a profitable position, with further recovery expected.

Men's apparel manufacturing continues to set new records in sales and net earnings. Among the many growth strategies for the Men's Apparel Group, there is an expanded program for Henry Grethel, the renowned American designer who joined us in 1987. Customers have enthusiastically accepted the tailored clothing featuring his name. Under the Henry Grethel agreement, he will create collections of sportswear and furnishings, more licensing arrangements will be added and Henry Grethel sportswear shops will be opened.

Dividends were raised in April 1987 for the eleventh time in eleven years, to the current annual rate of $1.00 per share. Following authorization in October 1987 by your directors to acquire up to four million shares of Hartmarx common stock, 1.8 million were purchased by November 30 for $40 million. Including those purchases, 2.1 million treasury shares have now been acquired—over 10 percent of the previously outstanding 20.6 million shares—for $47 million. While the resulting interest expense lowers earnings, the net favorable effect on earnings per share should be about ten cents in 1988.

Although this investment in Hartmarx stock added debt and lowered equity, total debt of $156 million at November 30—both short and long term—was only 31 percent of our $500 million total equity and debt. To finance our cash requirements, a $100 million five-year loan agreement was signed with a group of twelve banks. This credit facility provides commitments to support European commercial paper offerings, along with other options to borrow at advantageous rates. This long-term borrowing arrangement and your company's strong financial condition and excellent



Left: John R. Meinert, Chairman and Chief Administrative Officer.
Center: Harvey A. Weinberg, Vice Chairman and Chief Executive Officer.
Right: Elbert O. Hand, President and Chief Operating Officer.

cash flow enable an aggressive expansion and acquisition strategy.

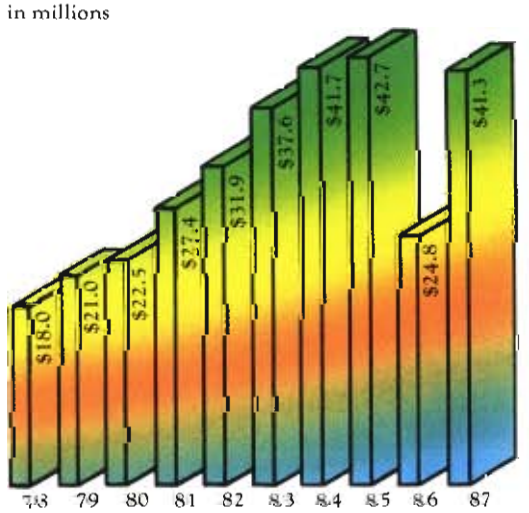
Our growth strategy includes opening approximately 40 retail stores in 1988. This internal expansion covers several Henry Grethel sportswear shops and three new Graham & Gunn stores; the remainder is about equally divided among Hartmarx Specialty Stores, Kuppenheimer and Country Miss. The centralized structure for Hartmarx Specialty Stores makes the acquisition for new store groups more profitable, because the accounting and credit functions are efficiently handled in the completely computerized office center in Dallas, merchandise is purchased by the Chicago buying headquarters, and goods are received and distributed through a state-of-the-art facility in Columbus, Ohio.

The first acquisition under this strategy was Anton's, an outstanding Detroit retailer with nine stores, added in the 1987 fourth quarter. Several more retail acquisitions are expected in other metropolitan areas to further expand our 233 unit Hartmarx Specialty Stores operation.

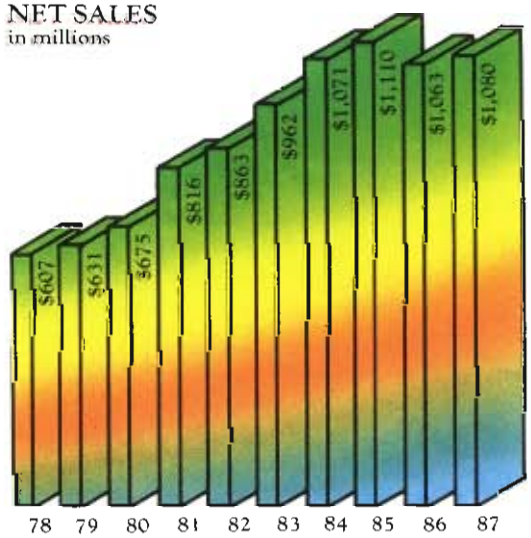
Kuppenheimer, headquartered in Atlanta, produces the popular-priced tailored clothing sold in its 104 retail stores. With better fabrics, improved fitting and more attractive stores, Kuppenheimer's sales and profits are increasing. The repositioning strategy was the key to turning this operation around. Adding stores in present markets will take advantage of advertising and operating economies in those metropolitan areas. Kuppenheimer is now ready to expand into entirely new markets where its repositioned stores are most likely to be successful.

The Men's Apparel Group has new growth

NET EARNINGS
in millions



NET SALES
in millions



strategies underway in all of its divisions. Some of these are entirely new concepts, and others represent innovations. Two new businesses have been established. The Traditional Apparel Group, comprised of Briar Neckwear, Yorke Shirtmakers and H. Oritsky tailored clothing, will continue to produce goods under our various labels and, in addition, will develop Briar as our traditional brand for tailored clothing, neckwear, dress shirts and sportswear. Henry Grethel Apparel will present a comprehensive collection of tailored clothing, furnishings and sportswear designed to appeal to younger, contemporary customers. Jaymar-Ruby is instituting marketing and advertising programs to present the new fashion aspects as well as the unique construction features of Sansabelt products. Hickey-Freeman is successfully introducing its new softly-constructed, natural-shoulder VSSC line and has also entered into a licensing agreement with Gieves & Hawkes of London. Hart Schaffner & Marx is continuing its powerful advertising support of the "Right Suit" and Jack Nicklaus sport coats. A new arrangement has been made with Jack Nicklaus to serve as official spokesman for the Hartmarx Specialty Stores which will be tied in with Hart Schaffner & Marx merchandise in a series of radio and television commercials. Intercontinental Branded Apparel has created exciting Nino Cerruti, Racquet Club and Pierre Cardin growth concepts directed to younger-thinking customers.

The Men's Apparel Group remains in the strongest competitive position to offer the best programs in quality tailored clothing. In addition to marketing, advertising, fabric selection and designer talent, technological superiority

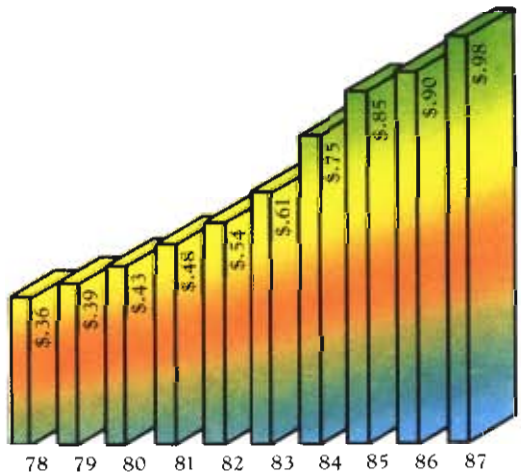
provides better quality and offsets higher production costs. Most of its manufacturing plants are covered by union contracts with ACTWU. A new contract for the tailored clothing industry, from October 1, 1987 to September 30, 1990, calls for hourly wage increases of 30 cents for each of the first and second years and 25 cents for the third year. This long-term agreement provides stability for planning.

Management development is considered an important key to building and maintaining the experienced leadership team required for our growth strategies. Significant executive promotions were announced during the past year. Enzo Belli, formerly executive vice president, was elected president of Hartmarx Specialty Stores, Inc. In the Men's Apparel Group, Kenneth A. Hoffman, who continues as president and chief executive officer of Hart Schaffner & Marx Clothes, and Homi Patel, who continues as president and chief executive officer of Intercontinental Branded Apparel, were named group executive vice presidents. Stephen C. McGue, formerly with Hartmarx Specialty Stores, Inc., became president and chief executive officer of Jaymar-Ruby. Your company is more involved than ever before in training and developing the right employees throughout our organization. Hartmarx is now structured to encourage the best performance with incentives and recognition, and to create better opportunities for its employees.

Licensing of your company's expertise, trademarks and retail names to overseas corporations continues to be a very important and profitable strategy. Six new arrangements were signed in 1987 and Hartmarx now has 36 licensing agreements in 12 countries on five continents. In 1987, an intensive four-day conference was held in Cancun, Mexico for our international licensees.

Among the exciting events that marked our Centennial was a banquet held at Chicago's Field Museum for one thousand honored guests. A special video production narrated by George Plimpton was shown at the banquet and at many other events throughout the year. Thousands of Centennial booklets covering our 100-year history were distributed. The range of Hartmarx products and retail operations was highlighted in a special 20-page Centennial section that appeared in the New York Times Magazine. The Centennial became the focal point of many local events at Hartmarx facilities and the subject of numerous news stories.

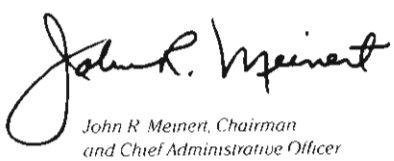
DIVIDENDS PER SHARE



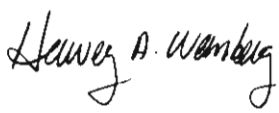
We are planning for growth and are confident that our strategies will prove to be successful. At this time, we have projected record sales for 1988, although the consumer spending outlook and economic conditions appear uncertain. Since the new fiscal year began December 1, our retail sales have continued to increase for Hartmarx Specialty Stores, Kuppenheimer and Country Miss. The Men's Apparel Group continues to enjoy record demand for its quality products with higher unit orders for both spring and fall 1988.

We also have great confidence in the long-term prospects for your company. We deeply appreciate the goodwill of the thousands of independent retailers purchasing our products. The success of Hartmarx is also supported by our 22,000 employees. We are proud of them and their work, as well as their generous participation in many civic and charitable causes. Providing our customers with the right products and service is the best way to grow, and we thank our employees for their outstanding efforts to implement that strategy.

February 10, 1988



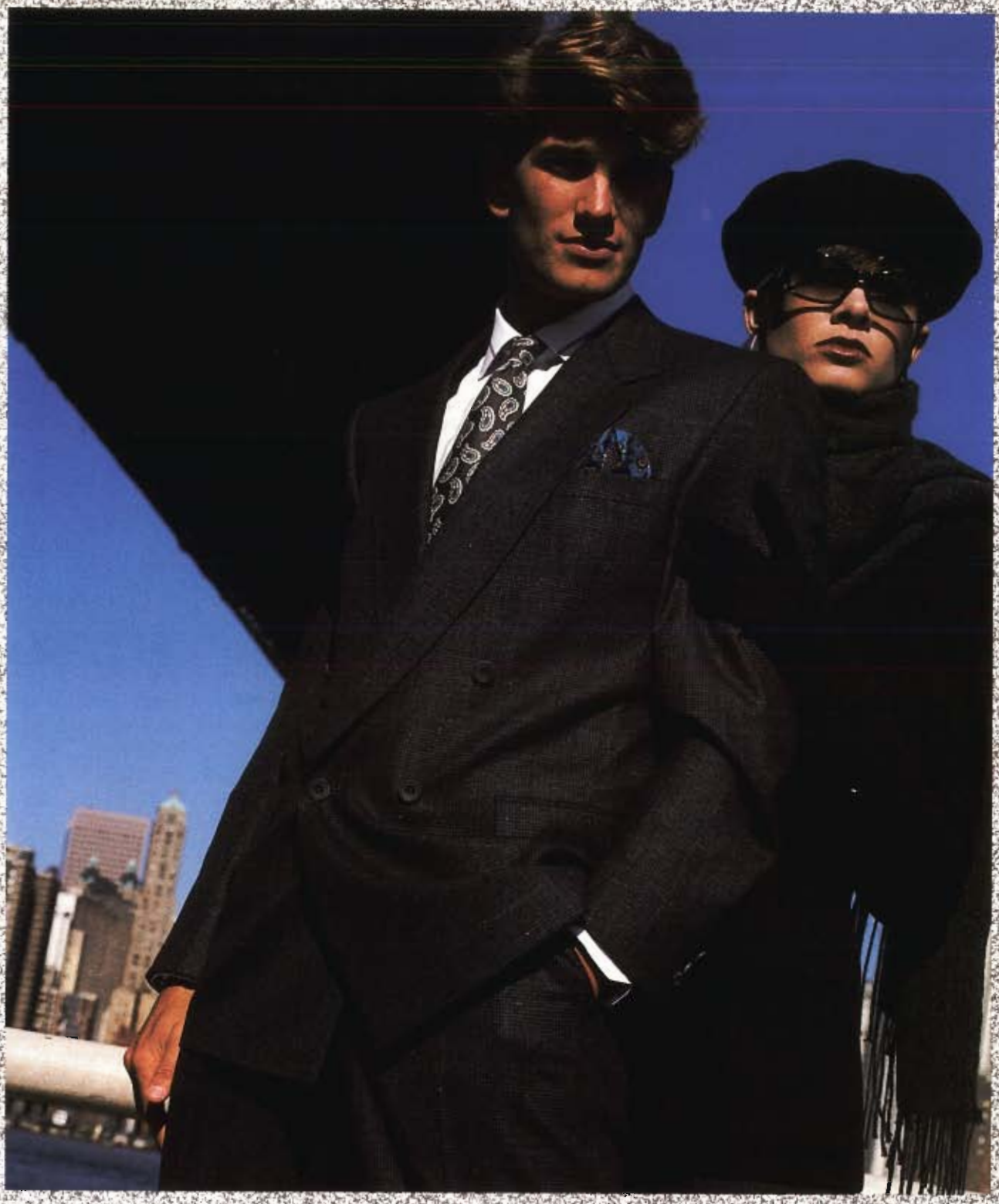
John R. Meinert, Chairman and Chief Administrative Officer



Harvey A. Weinberg, Vice Chairman and Chief Executive Officer



Elbert O. Hand, President and Chief Operating Officer



The Henry Grethel total concept collection now includes suits, sportcoats, sportswear, dress shirts and neckwear.

MEN'S APPAREL STRATEGIES

The Men's Apparel Group, which markets 24 brands, generated record sales and earnings in 1987. Sales for this group have already grown 87 percent during the 1980's. Many new concepts targeted for future growth were started in 1987.

Two entirely new businesses established in 1987 are planned for significant future growth in market areas not fully exploited. They are THE TRADITIONAL APPAREL GROUP and HENRY GRETHEL APPAREL. With these two new concepts we are positioned to appeal to a younger thinking customer and to the natural shoulder, traditional market—an important area for greater growth largely untapped by our various manufacturing divisions.

The most recent manufacturing acquisitions: Briar Neckwear, Yorke Shirtmakers and H. Oritsky tailored clothing have been organized into the Traditional Apparel Group. These manufacturers will continue to make products for various Hartmarx labels; and, as a group will concentrate on the development of Briar as an important traditional brand for tailored clothing, neckwear, dress shirts and sportswear.

With significant sales already realized with the recently established Henry Grethel tailored clothing line, additional rights for the manufacture and marketing of sportswear, furnishings and dress shirts were acquired during the year. This will enable Hartmarx to present a total Henry Grethel collection with a specific design concept that will appeal to a younger, more contemporary customer.



H. Oritsky, our 1988 entry targeted for the young traditional customer.

Hartmarx Specialty Stores will further extend the range and will showcase this collection by establishing three Henry Grethel sportswear shops in 1988.

Jaymar-Ruby initiated several significant merchandising and marketing strategies to place Sansabelt tailored slacks on a major growth program. A newly created advertising campaign will be launched in 1988 to emphasize the fashion appeal of Sansabelt slacks. For the first time, fashion slacks that can be worn with a belt will feature the well-known Sansabelt construction. This will enable Jaymar-Ruby to appeal to more fashion-conscious customers while providing the unique performance characteristics of the Sansabelt brand.

In recent years, Jaymar-Ruby has developed a major presence in the sportswear market. The success of the better-priced Sansabelt Golf collection of brightly color-matched tops and slacks for spring and summer has inspired the new Sansabelt Stadium collection of autumn colored sweaters and shirts for fall.

Fashionaire Apparel, Inc., the largest company of the Hartmarx Special Markets Group,



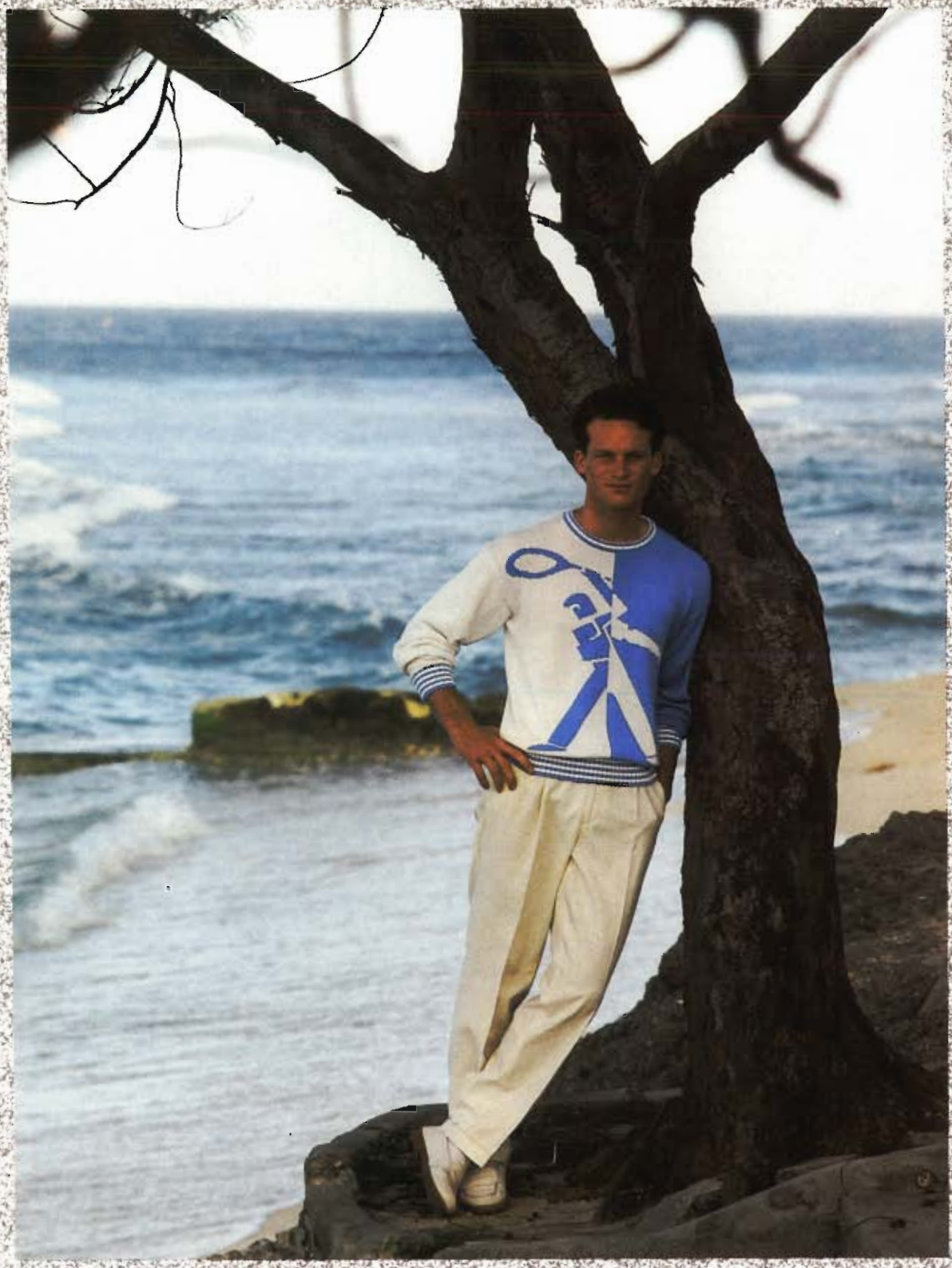
Expansion is planned of our successful Briar brand for other apparel products.

entered the very promising municipal market by supplying uniforms to the Chicago Transit Authority. This will be in addition to the growth that is expected from airline uniforms and fast-food restaurants.

Hickey-Freeman successfully introduced its new softly-constructed, natural shoulder VSSC line. Featuring younger-attitude styling, VSSC maintains the traditional Hickey-Freeman posture towards the finest quality.

A unique advertising campaign promoting the very fine quality of Hickey-Freeman apparel was launched in the *Wall Street Journal* in 1987. This unique six-part series addressed different aspects of the creative Hickey-Freeman product, including tailoring, fabric and design utilizing a very clever "long copy" technique instead of the more traditional suit illustrations to attract reader attention.

Hickey-Freeman further expanded its upscale customer base through a licensing agreement with Gieves & Hawkes, of No. 1 Savile Row,



The Racquet Club collection of contemporary traditional apparel encompasses virtually all categories of men's apparel.

London, to manufacture ready-to-wear and custom order suits, sport coats and trousers. The apparel features the very British look for which the 200-year-old custom tailor to royalty and world leaders is famous. Completely self-contained Gieves & Hawkes collections are planned for finer retail stores.

Hart Schaffner & Marx celebrated its Centennial in 1987, and reflected this theme in "The Right Suit" fashion advertising emphasizing 100 years of quality leadership. This division, which also continues to grow with its other brands such as Christian Dior Monsieur, Graham & Gunn, Austin Reed and Society Brand, accounts for the largest sales and earnings in the Men's Apparel Group. Another major growth prospect includes the Christian Dior Le Connoisseur collection featuring the finest imported fabrics and sophisticated tailoring details.

The Jack Nicklaus sport coat is by far the best selling in its class. New colors, in-stock service and a concentrated seasonal advertising effort involving television and magazines are planned to help this line retain this enviable position.

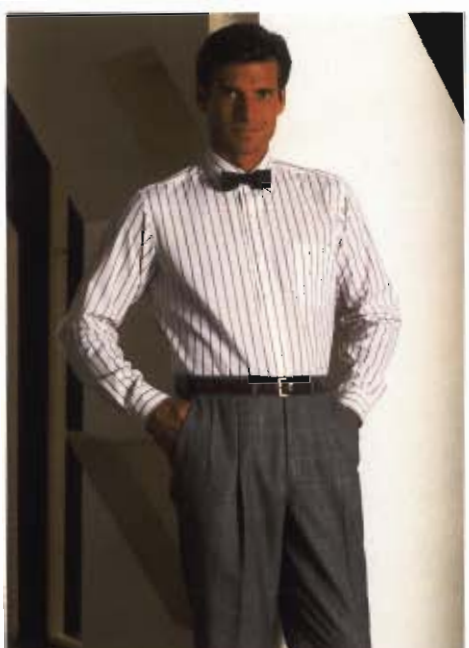
Gleneagles successfully completed its strategy to reposition this company as the leading American quality all-weather coat manufacturer. The coats are successfully sold under the Hart Schaffner & Marx, Austin Reed, Christian Dior and Henry Grethel labels.

Intercontinental Branded Apparel (IBA) has implemented a successful strategy of merchandising superior quality designer apparel with performance-oriented programs of cost containment and customer service. The result was a fourth consecutive year of record profits.



Gieves & Hawkes, one of Savile Row's most respected names, will be introduced into the U.S. market in 1988.

Racquet Club and Nino Cerruti programs represent important growth opportunities for IBA. Racquet Club has expanded its distribution to better specialty stores and broadened its fabric and merchandise offerings. The popularity of the Nino Cerruti line is a result of providing authentic Italian design and fabrics in moderate to upper price ranges. Improved quality resulted in sales growth for Pierre Cardin, whose European styling has been well received. IBA has also been successful with its Allyn St. George and Johnny Carson lines.



Sansabelt, the best known name in quality slacks, is increasing its market potential with new fabrications and advertising.

The Men's Apparel Group grew to a record $550 million of sales in 1987. Substantial investments in customer service, distribution and manufacturing facilities ensure quality and cost efficiency. Hart Schaffner & Marx installed a new laser cloth cutter in its Cape Girardeau, Missouri factory complex. A state-of-the-art clothing manufacturing facility is now operational in Hialeah, Florida. Materials management programs with textile suppliers enabled Hart Schaffner & Marx to realize a 40 percent increase in its in-stock business for 1987.

IBA has dramatically reduced production time, while simultaneously improving quality. Computer linkage to major customers results in quicker response to their needs. Technological improvements and quality enhancements by any of the divisions are available throughout the Men's Apparel Group to be implemented wherever applicable.



Women's apparel continues to be an important element in the total Hartmarx apparel strategy.

WOMEN'S APPAREL STRATEGIES

Women's apparel manufacturing and retailing comprised approximately 18 percent of 1987 consolidated sales. A substantial portion of the 1987 retail segment operating profit of $18 million was contributed by Country Miss production sold through its own 88 stores. The remaining women's apparel sales are from Country Miss and Jaymar-Ruby's Lady Sansabelt to independent retailers, Fashionaire Apparel and Hartmarx Specialty Stores.

Country Miss, our major women's apparel manufacturer, increased sales in its Old Mill stores offsetting the decline in its wholesale business from private label competition. More highly-styled product lines are seen as an opportunity to recapture these sales.

Country Miss markets coordinated sportswear and related separates under Country Suburbans, Weathervane and Handmacher labels, and Handmacher women's suits. The properly proportioned Suburban Petites and Weathervane Petites have been enthusiastically received. Country Suburbans also introduced a very promising line of activewear and weekend leisure clothing, including fleece and denim fabrics. Country Miss also sells Color Me Beautiful sportswear based on the popular color analysis concept.

Jaymar-Ruby's women's business, initiated in 1986 with the introduction of Lady Sansabelt, is positioned to grow. Management is now in place to direct the new merchandising and selling organization. With a factory acquired specifically for manufacturing women's apparel at Sansabelt quality levels, the product offering of slacks, skirts and shorts will be expanded to feature a full range of ladies sportswear separates.

The successful launch of Lady Sansabelt increases the market potential for these high-quality slacks.





Country Miss has been joined by Jaymar-Ruby as a Hartmarx women's apparel manufacturer.

Fashionaire's sales of women's apparel include uniforms for airlines, restaurant chains and other major employers, as well as Careermarx identity apparel for many smaller companies, and Sterling & Hunt quality tailored suits. A new management information system and recently-acquired warehouse will permit quick response and customer service to its diversified accounts.

Hartmarx Specialty Stores will enlarge and enhance women's tailored clothing assortments, manufactured primarily under the Austin Reed brand, with exclusive fabrics, styles and designs. These are selected by its merchandising staff and its New York-based product development center. Softer looks will be featured in women's suits, a fast-growing segment, and in private-label coordinates, appealing to our core-customer business and professional woman.

Strategies for growth in women's apparel include Country Miss, which is opening about ten stores annually, the development of apparel for the Hartmarx Specialty Stores, achieving the potential of Lady Sansabelt, and enhancing Fashionaire's capabilities. We are also exploring the possibilities of using Henry Grethel's designing talent for women's apparel in a number of areas.



A new Root's store opened recently in Princeton, New Jersey, serves as the prototype for all new Graham & Gunn stores.

RETAILING STRATEGIES

Hartmarx Specialty Stores, Inc., (HSSI) experienced a significant recovery in 1987 upon completion of the very difficult 1986 transition period of centralization. Fall 1987 was the first full season for which all the buying was the responsibility of the centralized merchandising organization, and the exciting new selections appealed to fashion-conscious customers. Sales showed a marked increase in the second half, although the rate of growth has been somewhat less after October, due to consumer concerns regarding the economy that generally affected the retail industry.

In 1987, HSSI sales of $420 million were ahead of same store sales for 1986. More importantly, however, the losses of the previous year reverted to an operating profit in 1987. The HSSI stores, which serve the apparel needs of business and professional men and women, are an outstanding showcase for Hartmarx manufactured products, receiving $90 million of these shipments in 1987.

The key to continued success for HSSI is an increase in sales at our 233 existing stores, coupled with expansion of current store companies, acquisitions of specialty stores well-suited to this fine-tuned organization, and internally-developed innovative merchandising concepts.

In 1988, HSSI plans to open a dozen new stores in high-growth existing markets. In addition, three of the very upscale Graham & Gunn stores will be introduced into new metropolitan areas. Further, the first three Henry Grethel sportswear shops, with interiors reflecting the personal studio loft of America's foremost contemporary designer, will debut in Chicago in 1988.



Women's departments are an integral and important part in almost 90% of our Hartmarx Specialty Stores.



The men's specialty store of the future. This Zachry store in Atlanta was created in 1987 as a model for new stores and remodeling.

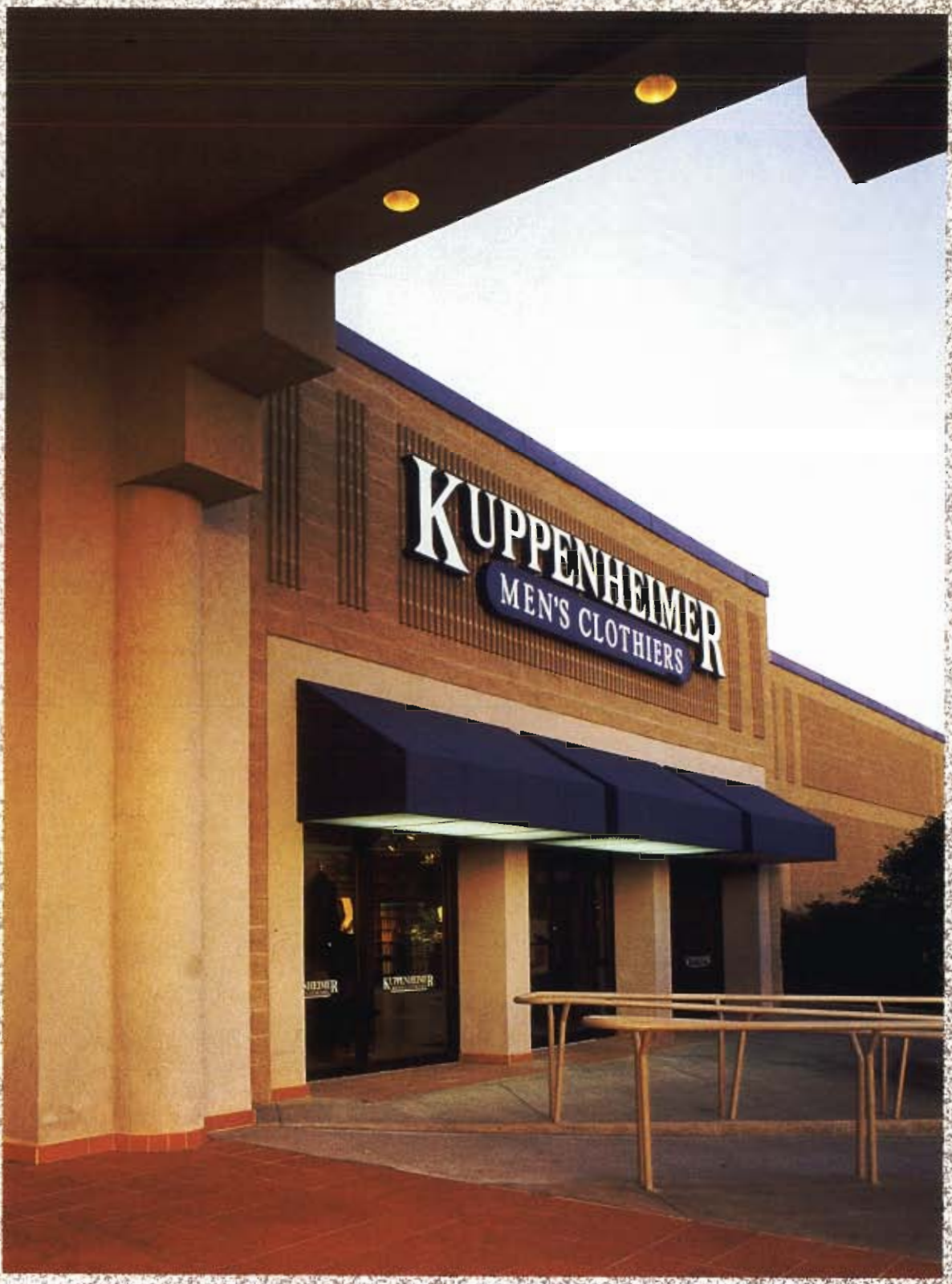
The Graham & Gunn decor is specifically designed for its discriminating shopper. Special features include displaying different types of merchandise in separate rooms. Sales at the Princeton, New Jersey shop are double the originally high expectations.

Late in 1987, a highly innovative, internally-developed new merchandising approach was unveiled near Dallas. An existing Jas. K. Wilson store was remodeled to a totally new residential atmosphere with warm, natural woods and recessed lights. The resulting store, now known as Jas. K. Wilson, Ltd., features more forward-fashion merchandise. This new concept, if successful, will be applied in as many as 20 other HSSI stores in upscale locations. Several other merchandising concepts are also under consideration.

The residential atmosphere will be reflected in other new and remodeled stores. A softer, more comfortable feeling has been created with the new prototype Zachry store in Lenox Mall, Atlanta. Merchandise will be displayed adjacent to its placement and adjustable wall systems will permit replacing hanging goods with folded goods.

A major agreement was reached with famed golfer Jack Nicklaus to serve as official spokesperson for HSSI. He stars in a special series of radio and television commercials that highlight HSSI personal service and commitment to Hart Schaffner & Marx tailored apparel.

The first store group acquired under the centralized structure was the 9-unit Anton's, Inc., of Detroit. With all credit, accounting, merchandising, distribution and administrative



Contemporary exterior of the Kuppenheimer store opened in the Atlanta area in 1987.



The planned remodeling of the Kuppenheimer stores will be completed this year.

functions operated centrally, HSSI can acquire stores or expand existing store companies with only a minor increase in fixed expenses, and is currently reviewing other strategic acquisition opportunities that will complement its growth pattern.

By the end of 1988, all Hartmarx Specialty Stores will be equipped with personal computers or CRT's for direct access capability with Chicago to improve sales and customer service. As the equipment is installed, instant electronic mail communications capability is also achieved, resulting in increased efficiency and lessened lead-time for all operations and merchandising, and customer sales files will be automatically updated.

The Barrie Pace Group concept was formed late in the year to combine the merchandising and marketing capabilities of the Direct Route mail order catalog organization and the Barrie Pace Ltd. specialty stores. Both serve the apparel needs of upscale business and professional women. The catalog operation will now be known as Barrie Pace Direct Route. This merger will combine the strengths of these organizations. A third Barrie Pace store will open next fall in the prestigious Galleria at Tysons II mall in suburban Washington, D.C.

Kuppenheimer generated profits compared to the losses of the previous year. Kuppenheimer, our direct-to-consumer manufacturer and retailer of men's tailored apparel, combines the service and ambiance of specialty stores with aggressive pricing.

The decision to reposition Kuppenheimer stores and upgrade its merchandise has proven to be profitable. Kuppenheimer sales were slightly below 1986, but showed a healthy increase on a same-store basis and were up considerably in the fourth quarter. The repositioned stores are completely remodeled to a more attractive and pleasant format, compared to the spartan piperack look. By the end of 1988, substantially all the remodeling will be completed.

Kuppenheimer serves the 25-40 year-old customer with most suits in the $165 to $195 range. Its strategic growth plans call for adding about ten stores annually to its existing 104 units, with the emphasis on geographic clustering to maintain advertising and distribution economies, such as the two new stores recently opened in Atlanta.

Kuppenheimer's "Premier Edition" suit—priced at $225—made its debut in 1987 and was an outstanding success. Kuppenheimer's product line has expanded to include more fashion-forward apparel. Their highly successful advertising—featuring "Mr. Kuppenheimer"—will be enhanced in 1988 as part of a promotional campaign which will include nationwide publications to help position Kuppenheimer as a national brand.

The success of Country Miss with its Old Mill stores results from their ability to provide significant everyday savings on current, first-quality women's fashions in coordinated sportswear, related separates and suits. Sales at the direct-outlet Old Mill stores grew by 19% in 1987, and ten stores were opened for a total of 88 locations. Approximately 85% of Old Mill merchandise is manufactured by Country Miss. Old Mill can operate at lower overhead than its competitors by concentrating its locations in value-oriented strip centers.



One of ten Old Mill stores opened in 1987.



Samsung Company, Ltd. is a recent manufacturing and retailing licensee in Korea.

INTERNATIONAL STRATEGIES

Licensing expertise, retail names and manufacturing trademarks is a very important Hartmarx strategy that enhances our international presence. Income from this activity increased 13 percent in 1987 after rising more than 30 percent in 1986. With six additions in 1987, 36 licensing agreements are now maintained in 12 countries. Marubeni Corporation, Japan, one of the prestigious companies with whom we are proud to share our names and know-how, is an outstanding example of the long and valued relationships we strive to maintain with our licensees.

In 1987, Hartmarx successfully completed a conversion of a mature men's brand in Korea to the Escadrille brand which has greater appeal to a younger clientele. This project received tremendous customer response, with Hartmarx assisting in the award winning promotional campaign. Further, a Nino Cerruti manufacturing license was jointly established in Korea, and two Pierre Cardin sub-licensees were added in Columbia. In 1988, a Wallach's retailing program will become operational in Japan, and at least two new licensing agreements will be completed.

The scope of the Hartmarx international program will be expanded with additional names and countries. Henry Grethel licenses have been extended to Canada, Japan and Mexico, and several other countries, including Taiwan, are under discussion. Licensing opportunities throughout the world for this leading American designer will become increasingly attractive with the establishment of the Henry Grethel name in retailing.

As with the vast majority of our international licenses, five were renewed last year. Our success is the result of building mutually beneficial relationships. Hartmarx would also be receptive to considering joint ventures in appropriate situations.

In June 1987, the largest and most successful gathering of Hartmarx international licensees was held in Cancun, Mexico. More than 80 representatives gathered for an intensive four-day conference to discuss and review productivity concepts for apparel retailing, manufacturing and administration. The meeting resulted in greater rapport and communication contacts among our licensees.

Hartmarx owns a 37⅓ percent equity interest in Robert's, a high-quality apparel manufacturer and retailer in Mexico. Robert's issued stock in October 1987 to pay debt incurred to purchase Puritan, a manufacturer of sportswear and furnishings, which diluted our previous 49 percent interest. A complete engineering program at Robert's factory, which upgraded the quality of the apparel supplied to its 26 men's specialty stores, improved Robert's competitive advantage as a leading manufacturer of superior tailored clothing. This attainment of "world class" standards presents export opportunities as well as generating more sales domestically. Robert's combination with Puritan provides the opportunity for its goods to be sold through Robert's stores, and for Robert's to become a national marketer.



Hartmarx licensing operations continue to expand. A typical example is this Escadrille store, one of 6 opened in Korea in 1987.

Jack Nicklaus, greatly respected in America, is also a famous sportsman in countries in which golf is very popular such as Japan—where his name is licensed through Asahi Chemical—Korea, Australia and Taiwan. His long and friendly personal association with us has encouraged our worldwide efforts to establish his name in blazers, slacks and other sports apparel, through arrangements such as the recent agreement with Courtaulds of Great Britain.

Hartmarx owns a 14 percent voting interest in Austin Reed Group PLC of Great Britain which licenses Austin Reed of Regent Street to Hartmarx. This highly successful quality apparel manufacturer and retailer has adopted a growth strategy of selling Austin Reed clothing to other retailers as well as exporting within the European Common Market.

Hartmarx Retail Stores
Density by State

State	Hartmarx Specialty Stores		Kuppenheimer Stores	Old Mill Stores	Sansabelt Stores	State Total
Alabama	Zachry	1		2		3
Alaska	Klopfenstein's	1				1
Arizona	Hanny's	5	3	4		12
Arkansas			1			1
California	Silverwoods Hastings	19 10	7		1	37
Colorado			2	1		3
Connecticut	Wallachs	3		1		4
Washington, D.C.			1			1
Florida	Wallachs of Florida Wolf Brothers Levy-Wolf	5 7 2	6	11		31
Georgia	Zachry	10	11	4		25
Illinois	Baskin Capper & Capper	16 3	1	1	4	25
Indiana	deJong's	3	3	3		9
Kansas	Ray Beers	2	1			3
Kentucky			1	2		3
Louisiana	Porter-Stevens	5	1	2		8
Maryland			8	1		9
Massachusetts	Barrie Pace Ltd. Root's Wallachs	1 1 4		1		7
Michigan	Capper & Capper Anton's	1 9	8	1		19
Minnesota	Liemandt's	6	5			11
Mississippi	Steven's	2				2
Missouri	Jack Henry	4	7	2		13
Nevada	Silverwoods	2				2
New Hampshire	Wallachs	1		1		2
New Jersey	Field Bros Wallachs Root's	3 9 6		6		24
New York	F R. Tripler Barrie Pace Ltd. Wallachs Kleinhans Field Bros.	1 1 10 5 4	1	9		31
New Mexico			1	1		2
North Carolina	J. O. Jones Zachry	2 1	4	1		8
North Dakota				1		1
Ohio	Peer Gordon Walker's	5 9	6	4	1	25
Oklahoma			1			1
Oregon	Klopfenstein's	5	3			8
Pennsylvania			6	7		13
Rhode Island	Wallachs	1				1
South Carolina	Heyward-Mahon	1	3	4		8
Tennessee			2	10		12
Texas	Jas. K. Wilson Leopold, Price & Rolle Merritt, Schaefer & Brown Frank Brothers	12 15 3 2		1	9	42
Utah	Arthur Frank	2	1			3
Vermont				1		1
Virginia	Shulman's	3	2	5		10
Washington	Klopfenstein's Littler's	7 2	5			14
Wisconsin	Baskin	1	3	1		5
Totals		233	104	88	15	440

Hartmarx Men's and Women's Subsidiaries and Brands

Men's Apparel

Hart Schaffner & Marx Clothes

Hart Schaffner & Marx
Austin Reed of Regent Street
Graham & Gunn
Jack Nicklaus
Christian Dior
Society Brand, Ltd.
Sterling & Hunt
Gleneagles
Hart Schaffner & Marx Weatherwear
Austin Reed of Regent Street Weatherwear
Christian Dior Weatherwear

Hickey-Freeman

Hickey-Freeman
Gieves & Hawkes
Walter-Morton

Jaymar-Ruby

Jaymar
Sansabelt
Sansabelt Sport
Sansabelt Slack Shops
Racquet Club Sportswear

Intercontinental Branded Apparel

Pierre Cardin
Johnny Carson
Nino Cerruti Rue Royale
Allyn St. George
Racquet Club

Hartmarx Special Markets Group

Fashionaire
Thorngate Uniforms
Careermarx
Hartmarx Incentive Sales

Henry Grethel Apparel

Henry Grethel Tailored Clothing
Henry Grethel Sportswear
Henry Grethel Furnishings
Henry Grethel Weatherwear

Traditional Apparel Group

H. Oritsky
Briar Neckwear
Briar Dress Shirts
Racquet Club Neckwear
Yorke Shirtmakers
Racquet Club Dress Shirts

Retail Price Ranges Hartmarx Suit Brands

Price Range	Brand
$600 +	Hickey-Freeman, Gieves & Hawkes, Walter-Morton
$375-$500	Hart Schaffner & Marx, Graham & Gunn, Society Brand, Ltd.
$350-$415	Christian Dior Le Connoisseur
$285-$375	Austin Reed of Regent Street, Christian Dior Monsieur
$270-$375	Pierre Cardin
$235-$315	Nino Cerruti Rue Royale, Henry Grethel, H. Oritsky, Racquet Club
$185-$300	Sansabelt Suits
$180-$275	Allyn St. George
$165-$225	Kuppenheimer
$150-$250	Johnny Carson

Women's Apparel

Country Miss

Country Suburbans
Suburban Petites
Handmacher
Weathervane
Weathervane Petites
Color Me Beautiful

Hartmarx Special Markets Group

Fashionaire
Sterling & Hunt
Thorngate Uniforms
Careermarx
Hartmarx Incentive Sales

Jaymar-Ruby

Lady Sansabelt

Barrie Pace Direct Route

International

Licensing Programs in 12 Countries

Australia
Canada
Colombia
Finland
Hong Kong
Japan
Korea
Mexico
New Zealand
Taiwan
Thailand
United Kingdom

Consolidated earnings of $41.3 million or $2.01 per share were 67% ahead of 1986's $24.8 million or $1.20 per share, but did not fully recover to the record $42.7 million or $2.10 per share earned in 1985. Earnings before taxes increased 52% to $72 million in 1987 from $47.5 million in 1986, although below the $81.3 million record achieved in 1985. Retailing segment earnings partially recovered to $18 million in 1987 from a 1986 loss of $2.8 million but were only half of pre-centralization earnings. Although completion of the centralization of Hartmarx Specialty Stores and repositioning of Kuppenheimer improved gross margins and operating expense ratios in 1987, compared to their adverse impact during the 1986 transition, operating margins were below 1985. Their centralized structures were conceived in anticipation of higher unit volume and their return on investment is lower than our objective for retailing. Fiscal 1987 net earnings for men's manufacturing were at record levels, but declined in women's manufacturing from lower production and sales, although Country Miss stores continued to contribute substantial profits to the retail segment earnings.

Consolidated sales increased $17.4 million or 1.6% to $1.08 billion; the 1987 acquisitions of H. Oritsky, Inc. and Anton's approximately offset 1986 sales of the Chas. A. Stevens women's apparel retail subsidiary, sold as of January 31, 1986. The sales decrease to $1.063 billion in 1986 from $1.110 billion in 1985 was attributable to Stevens. Manufacturing segment shipments to independent customers of $492.4 million, up from $487.9 million in 1986 and $475.5 million in 1985, were at record levels despite decreases in Country Miss' shipments to independent retailers. Retailing segment sales increased to $588 million in 1987 compared to $575.1 million in 1986 and $634 million in 1985 as comparable store increases were achieved for Hartmarx Specialty Stores, Kuppenheimer and Country Miss' owned retail outlets. Lower retailing sales in 1986 vs. 1985 were substantially attributable to the disposition of Chas A. Stevens.

Consolidated gross margin increased to 41.3% from 40.9% in 1986, although lower than the 42.2% achieved in 1985. The 1987 improvement over 1986 was attributable to the recovery in retailing; fall 1987 merchandise reflected the initial season of product selection by the Specialty Stores centralized merchandising and buying staff. Kuppenheimer's gross margin showed a significant increase, as improved product quality in 1987 contributed to the larger proportion of current season goods sold at full margins, compared to last year's inventory dispositions through warehouse sales and higher markdowns overall in the stores. Manufacturing gross margins remained strong, although unfavorably impacted by costs associated with new engineering programs and decreased factory utilization at Country Miss. The consolidated gross margin decline in 1986 vs. 1985 was attributable to higher markdowns in the retailing segment resulting from the transition during Specialty Stores' centralization and substantial price reductions at Kuppenheimer.

Operating expenses declined $12.9 million in 1987 and represented 35.1% of sales compared to 36.8% in 1986 and 35.2% in 1985. The improvement in 1987 vs. 1986 was principally in the retailing segment; savings from the centralized accounting, credit, merchandising and distribution functions are now being realized in the Specialty Stores, which experienced disruption during the transition in 1986. Kuppenheimer achieved lower operating expenses from closing unprofitable stores and streamlining its distribution function, and advertising is now concentrated in multiple store markets. Manufacturing segment operating expenses increased slightly as a percent of sales reflecting additional marketing and administrative costs associated with expanding product lines and enhancing computer systems. The increased consolidated operating expense ratio in 1986 vs. 1985 was attributable to centralization and repositioning costs on lower retail sales.

Finance charges and other income, which are largely service charges on receivables, licensing income and equity in the earnings of Robert's, declined to $11.8 million from $12.3 million in 1986 and $14.5 million in 1985. The 1987 decrease is principally attributable to less service charge income from lower average Specialty Stores' revolving credit receivable balances; the substantial drop in 1986 compared to 1985 reflected the sale of Chas. A. Stevens, which received substantial service charges.

Interest expense, net of interest income, decreased to $7 million in 1987 from $8.1 million in 1986 and $10.4 million in 1985. Lower average debt and interest rates were experienced in 1987 vs. 1986, although borrowings increased significantly in November from treasury stock purchases; the decline in 1986 vs. 1985 reflected the conversion of $43.5 million of 8½% subordinated debentures into 2.2 million common shares (adjusted for the 3-for-2 stock split) in December, 1985.

The Company's effective income tax rate declined to 42.7% in 1987 compared to 47.9% in 1986 and 47.5% in 1985. The current year benefited from statutory rate reductions from the 1986 Tax Reform Act, effective July 1, 1987. The higher rate in 1986 vs. 1985 was attributable to reduced investment tax credits, partially offset by capital gains on property dispositions in 1986. Further tax expense reductions will be realized in 1988, but actual taxes paid will not be proportionately reduced, due to phasing out deferred taxes relating to installment receivables; certain inventory related costs, expensed in the financial statements, must now be capitalized for tax purposes. Accordingly, the favorable cash flow resulting from lower statutory rates will, over the next several years, be largely offset by

timing differences related to taxes payable. Statement of Financial Accounting Standards No. 96 (FAS 96) relating to income taxes, issued in December 1987, must be adopted by the company for its fiscal year beginning December 1, 1989, but earlier adoption is expected. A preliminary analysis of the impact of FAS 96 indicates a favorable effect on earnings in the year of adoption, based on current statutory rates.

Cash flow from earnings and depreciation increased to $64 million compared to $46 million in 1986 and $62 million in 1985. This cash flow enabled the company to invest over $80 million in capital assets over the last three years and raise dividends. On November 30, 1987, long term debt of $119.8 million represented 26% of the total $464 million capitalization. Treasury stock purchases in fiscal 1987 aggregated 1,807,700 shares for $40.3 million; although interest costs will increase, the impact on earnings per share and return on shareholders' equity will be favorable based upon current borrowing rates. Total shareholders' equity declined only $14.8 million to $343.9 million, after reflecting this $40.3 million of stock purchases, due to earnings retained in the business and proceeds from stock option exercises.

Aggressive retail expansion is anticipated during 1988 with 40 additional stores plus major remodelings at Specialty Stores, Kuppenheimer and Country Miss. In our manufacturing businesses, modernization programs will continue by transferring proven technology to our other production facilities. Our new $100 million financing facility is available at favorable interest rates for both internal expansion and acquisitions; this arrangement provides flexibility through commercial paper offerings in Europe and/or borrowings from the participating banks.

Receivables and inventories are in excellent condition. The small decrease in accounts receivable to $170.1 million from $175 million reflected lower shipments in women's manufacturing and a small decrease in charge sale activity in the Specialty Stores. Inventories increased $27 million to $325 million, attributable to both manufacturing and retailing. Higher spring 1988 advance orders in men's manufacturing caused raw material and work-in-progress levels to increase, while Specialty Stores' marketing strategy required earlier deliveries of spring 1988 merchandise to the stores. The Oritsky and Anton's acquisitions, along with Grethel furnishing and sportswear products to be sold in 1988, were additional contributing factors.

Considering the impact of inflation, earnings would be lower than reported due to assuming higher depreciation expense without a corresponding reduction in taxes. However, inflation in the apparel industry has been lower than the general inflation rate during the past several years. The current value of net assets would be higher than the company's $343.9 million book value, after reflecting the company's use of the LIFO inventory method and increases in the value of properties over the past several years.

Selected Financial Data

In Thousands/For Years Ended November 30	1987	1986	1985	1984	1983
Net sales	$1,080,420	$1,063,011	$1,109,537	$1,070,830	$961,846
Net earnings	41,265	24,775	42,660	41,735	37,615
Net earnings per common share and equivalent	2.01	1.20	2.25	2.24	2.03
Fully diluted earnings per share	2.01	1.20	2.10	2.09	1.91
Cash dividends per share	.98	.90⅓	.85⅓	.74⅔	60¾
Average number of common shares and equivalents	20,547	20,603	18,928	18,614	18,485
In Thousands/At November 30					
Accounts receivable	$ 170,081	$ 175,031	$ 188,583	$ 169,612	$165,521
Inventories	325,356	298,117	310,944	306,140	256,129
Net properties	131,647	129,219	129,694	115,948	100,415
Total assets	660,284	621,533	669,259	613,536	542,844
Working capital	318,539	290,954	308,101	286,488	260,735
Long term debt	119,754	70,860	114,745	110,576	100,562
Shareholders' equity	343,934	358,718	332,412	301,891	271,703
Equity per share	18.26	17.59	17.61	16.24	14.80

All outstanding shares and per share amounts have been restated for the 3-for-2 stock split in May, 1986.

Hartmarx Corporation
Consolidated Statement of Earnings

In Thousands/Years ended November 30	1987	1986	1985
Net sales	$1,080,420	$1,063,011	$1,109,537
Finance charges and other income	11,839	12,337	14,463
Interest income	725	1,279	1,589
	1,092,984	1,076,627	1,125,589
Cost of goods sold	634,433	628,036	641,246
Selling, administrative and occupancy expenses	378,791	391,652	391,079
Interest expense	7,715	9,414	12,014
	1,020,939	1,029,102	1,044,339
Earnings before taxes	72,045	47,525	81,250
Taxes on earnings	30,780	22,750	38,590
Net earnings for the year	$ 41,265	$ 24,775	$ 42,660
Earnings per common share and common share equivalent	$ 2.01	$ 1.20	$ 2.25
Fully diluted earnings per share	$ 2.01	$ 1.20	$ 2.10

(See accompanying notes to consolidated financial statements)

Report of Independent Accountants

To the Shareholders and Board of Directors of Hartmarx Corporation:

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of earnings, of shareholders' equity and of cash flows present fairly the financial position of Hartmarx Corporation and its subsidiaries at November 30, 1987 and 1986, and the results of their operations and their cash flows for each of the three years in the period ended November 30, 1987, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse

Chicago, Illinois
January 13, 1988

Hartmarx Corporation
Consolidated Balance Sheet

In Thousands/November 30		1987	1986
Assets			
Current Assets	Cash	$ 8,678	$ 2,840
	Short term investments, at cost which approximates market	140	1,063
	Accounts receivable, less allowance of $8,463 and $9,042 for doubtful accounts	170,081	175,031
	Inventories	325,356	298,117
	Prepaid expenses	10,880	5,858
	Total current assets	515,135	482,909
Investments and Other Assets		13,502	9,405
Properties	Land	3,661	3,502
	Buildings and building equipment	53,058	51,496
	Furniture, fixtures and equipment	157,045	145,587
	Leasehold improvements	80,643	74,043
		294,407	274,628
	Accumulated depreciation and amortization	(162,760)	(145,409)
	Net properties	131,647	129,219
Total Assets		$660,284	$621,533

Liabilities and Shareholders' Equity			
Current Liabilities	Notes payable to banks	$ 30,200	$ 33,000
	Current maturities of long term debt	6,069	6,056
	Accounts payable	68,085	61,528
	Accrued payrolls	34,866	32,792
	Other accrued expenses	24,757	26,487
	Taxes on earnings	19,716	10,649
	Deferred taxes on earnings	12,903	21,443
	Total current liabilities	196,596	191,955
Long Term Debt, less current maturities		119,754	70,860
Shareholders' Equity	Preferred shares, $1 par value; 2,500,000 authorized and unissued	—	—
	Common shares, $2.50 par value; authorized 75,000,000; issued 23,473,556 in 1987 and 23,340,570 in 1986	58,684	58,351
	Capital surplus	44,868	41,711
	Retained earnings	333,753	312,369
	Foreign currency translation adjustment	(5,876)	(5,876)
		431,429	406,555
	Common shares in treasury, at cost, 4,640,498 in 1987 and 2,944,357 in 1986	(87,495)	(47,837)
	Shareholders' equity	343,934	358,718
Total Liabilities and Shareholders' Equity		$660,284	$621,533

(See accompanying notes to consolidated financial statements)

Hartmarx Corporation Consolidated Statement of Shareholders' Equity

In Thousands	Par Value of Common Stock	Capital Surplus	Retained Earnings	Foreign Currency Translation Adjustment	Treasury Shares
Balance at November 30, 1984	$34,625	$17,195	$279,543	$(5,876)	$(23,596)
Net earnings for the year			42,660		
Cash dividends:					
Common shares, $.85⅓ per share			(16,044)		
Stock options exercised (157,656 shares issued upon exercise of 212,106 options and stock appreciation rights)	262	1,198			
Disposition of 112,193 treasury shares		1,364			636
Conversion of $445,000 face value of debentures into 22,748 common shares	38	407			
Balance at November 30, 1985	34,925	20,164	306,159	(5,876)	(22,960)
Net earnings for the year			24,775		
Cash dividends:					
Common shares, $.90⅓ per share			(18,565)		
Effect of 3-for-2 stock split	19,405	(19,405)			
Stock options exercised (162,888 shares issued upon exercise of 211,200 options)	316	1,602			
Other treasury stock transactions		12			4
Conversion of $43,464,000 face value of debentures into 2,222,433 common shares	3,705	39,338			(18)
Purchase of 872,400 treasury shares					(24,863)
Balance at November 30, 1986	58,351	41,711	312,369	(5,876)	(47,837)
Net earnings for the year			41,265		
Cash dividends:					
Common shares, $.98 per share			(19,881)		
Stock options exercised (132,986 shares issued upon exercise of 133,894 options)	333	2,125			
Purchase of 1,807,700 treasury shares					(40,292)
Disposition of 111,559 treasury shares		1,032			634
Balance at November 30, 1987	$58,684	$44,868	$333,753	$(5,876)	$(87,495)

(See accompanying notes to consolidated financial statements)

Hartmarx Corporation Consolidated Statement of Cash Flows

In Thousands/Years ended November 30		1987	1986	1985
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from operating activities:	Net earnings	$ 41,265	$ 24,775	$ 42,660
	Reconciling items to adjust net income to net cash provided by operating activities:			
	Depreciation and amortization	22,567	21,048	19,625
	Changes in assets and liabilities, net of effects of acquisition and disposition of subsidiaries:			
	(Increase) decrease in accounts receivable	7,101	(602)	(17,621)
	(Increase) decrease in inventories	(21,487)	2,390	(3,510)
	(Increase) decrease in prepaid expenses	(4,736)	1,771	(3,267)
	(Increase) decrease in other assets	(3,980)	3,968	1,218
	Increase (decrease) in accounts payable and accrued expenses	1,186	(7,899)	3,571
	Increase (decrease) in taxes and deferred taxes on earnings	351	1,406	6,007
	Net cash provided by operating activities	42,267	46,857	48,683
Cash Flows from investing activities:	Capital expenditures	(21,696)	(27,058)	(33,191)
	Cash (paid) received re (acquisition) disposition, net of subsidiary cash	(5,714)	14,972	(2,199)
	Net cash used in investing activities	(27,410)	(12,086)	(35,390)
Cash Flows from financing activities:	Increase (decrease) in notes payable to banks	52,200	(1,600)	12,600
	Proceeds from issuance of long term debt	—	2,362	10,000
	Reduction of long term debt	(6,093)	(12,382)	(7,813)
	Proceeds from issuance of common shares	2,458	1,918	1,460
	Proceeds from disposition of treasury shares	1,666	16	2,000
	Purchase of treasury shares	(40,292)	(24,863)	—
	Payment of dividends	(19,881)	(18,565)	(16,044)
	Cash provided by (used for) financing activities	(9,942)	(53,114)	2,203
	Net increase (decrease) in cash and cash equivalents	4,915	(18,343)	15,496
	Cash and cash equivalents at beginning of year	3,903	22,246	6,750
	Cash and cash equivalents at end of year	$ 8,818	$ 3,903	$ 22,246
Supplemental cash flow information	Net cash paid during the year for:			
	Interest expense	$ 7,800	$ 9,600	$ 12,800
	Income taxes	30,300	22,500	32,200

Non-cash financing activities:

Common stock was issued in 1986 and 1985 upon the conversion of $43,545,000 and $445,000, respectively, of 8½% subordinated debentures.

Summary of Accounting Policies

The consolidated financial statements include the accounts of the Company and all subsidiaries. In 1985, the Company increased its interest in Country Miss to 92% from 80%, with its senior management retaining the remaining minority interest. The Company's equity in Robert's S.A. de C.V., a publicly traded corporation in Mexico, is included in "Investments and Other Assets." During 1987, Robert's completed a stock offering which resulted in a dilution of the Company's minority interest to 37⅓% from 49%. The Mexican economy is currently considered to be highly inflationary and foreign currency adjustments are remeasured as if the U.S. dollar were the functional currency and included in earnings, in accordance with Statement of Financial Accounting Standards No. 52. Prior to September 1, 1982, the effects of translation from the peso functional currency to the U.S. dollar reporting currency were charged directly to a separate component of shareholders' equity. Effective January 31, 1986, the Company sold its Chas. A. Stevens women's apparel retail subsidiary for approximately book value.

In fiscal 1987, the Company adopted Statement of Financial Accounting Standards No. 95—Statement of Cash Flows. For purposes of the statement of cash flows, the Company considers as cash equivalents all highly liquid debt instruments with a maturity of three months or less.

Inventories are stated at the lower of cost or market. Approximately 26% of the Company's inventories, primarily work in process and finished goods, are valued using the last-in, first-out (LIFO) method at November 30, 1987 and 1986. The first-in, first-out (FIFO) method is used for substantially all raw materials and the remaining manufacturing and retail inventories.

Properties are stated at cost. Additions, major renewals and betterments are capitalized; maintenance and repairs which do not extend asset lives are charged against earnings. Profit or loss on disposition of properties is reflected in earnings and the related asset costs and accumulated depreciation are removed from the respective accounts.

Accelerated depreciation lives and methods are used for a significant portion of the properties. Depreciation is computed based on useful lives of 20 to 45 years for buildings, 5 to 20 years for building equipment and 3 to 15 years for furniture, fixtures and equipment. Leasehold improvements are amortized over the terms of the respective leases.

Noncapital expenditures incurred for new or remodeled retail stores are expensed upon construction completion. When a store is closed, the remaining investment in fixtures and leasehold improvements, net of expected salvage, is charged against earnings; the present value of any remaining lease liability, net of expected sublease recovery, is also expensed.

Intangible assets are included in "Investments and Other Assets" at cost, less amortization which is provided on a straight-line basis over their economic lives, usually 10 years or less.

Deferred taxes on earnings are provided for timing differences between financial and taxable income. Investment tax credits, when available, are recognized as a reduction of the current provision for taxes on earnings in the year the related assets are placed in service.

The Company and its subsidiaries maintain benefit plans covering substantially all employees other than those covered by multi-employer plans. The Company adopted Statement of Financial Accounting Standards No. 87—Employer's Accounting for Pensions in 1986. Accordingly, 1987 and 1986 pension income for the principal plan was determined using the projected unit credit method. For 1985, pension plan costs were determined using the entry age normal frozen initial liability method, which continues to be used for tax purposes. Pension expense under each multi-employer plan is based upon a percentage of the employer's union payroll established by industry-wide collective bargaining agreements. Pension expenses are funded as accrued.

Certain health and insurance programs are made available to non-union retired employees on substantially the same basis as with current employees of the Company; the costs are recognized as incurred. Approximately 450 retired employees are currently participating; substantially all non-union employees could ultimately remain eligible upon attaining retirement age while employed by the Company. These retiree programs, after considering retiree contributions which are intended to offset the full cost, did not have a significant effect on earnings.

When stock options are exercised, common stock is credited for the par value of shares issued and capital surplus is credited with the consideration in excess of par. For stock appreciation rights, compensation expense is recognized on the aggregate difference between the market price of the Company's stock and the option price only when circumstances indicate that the right, and not the option, will be exercised.

The number of authorized common shares was increased from 25,000,000 to 75,000,000 and a three-for-two stock split became effective May 1, 1986. All per share information has been restated to reflect this stock split. Primary and fully diluted earnings per share in 1987 and 1986 and fully diluted earnings per share in 1985 reflect the $43.5 million subordinated debentures conversion into common shares at $19.56 per share and elimination of the 8½% interest expense (after-tax) thereon. Primary earnings per share are computed based on the average number of common shares and common share equivalents outstanding, including any preferred shares. When dilutive, stock options are included as share equivalents using the treasury stock method. The number of shares used in computing primary earnings per share was 20,547,000 in 1987, 20,603,000 in 1986, and 18,928,000 in 1985. The number of shares used in computing fully diluted earnings per share was 20,547,000 in 1987, 20,603,000 in 1986 and 21,207,000 in 1985.

Acquisitions

Several acquisitions were completed during fiscal 1987. The Company purchased H. Oritsky, Inc., a manufacturer of natural shoulder suits and sport coats in December, 1986; the business of Anton's, a nine store menswear retailer serving the Detroit, Michigan metropolitan area, was acquired later in the fiscal year. The businesses of Briar, Inc., a manufacturer of high quality neckwear and Yorke Shirtmakers, a manufacturer of men's dress shirts were purchased in 1985 and 1986, respectively. Each of the above noted

acquisitions was for cash and the accompanying financial statements reflect results since the respective date of acquisition; such results were not significant individually nor in the aggregate in relation to consolidated sales and earnings.

Inventories

At November 30, 1987 and 1986 inventories were as follows (000's omitted):

	1987	1986
Raw materials	$ 37,710	$ 34,350
Work in process	35,422	32,208
Finished goods	252,224	231,559
	$325,356	$298,117

The excess of current cost over LIFO costs for certain inventories was $25.3 million at November 30, 1987 and $23.3 million at November 30, 1986.

Notes Payable to Banks

The following summarizes information concerning notes payable to banks (000's omitted):

	1987	1986	1985
Outstanding at November 30	$105,200	$53,000	$54,600
Maximum month end balance during the year	105,200	86,200	75,500
Average amount outstanding during the year	56,600	62,700	44,800
Weighted daily average interest rate during the year	6.8%	7.2%	8.4%
Weighted average interest rate on borrowings at November 30	7.0%	6.2%	8.3%

Notes payable at November 30, 1987 consisted of loans under informal borrowing arrangements with a number of banks providing for lines of credit aggregating $311 million, $105 million of which was utilized as of November 30, 1987. Interest rates are at transaction loan rates (all below the prime rate) and there are no significant compensating balance requirements or commitment fees associated with these credit lines.

The Company also has in place a multiple option loan facility with a group of twelve banks, which replaced an expired $45 million revolving credit and term loan agreement. The current agreement, in effect through November 30, 1992, provides for bank borrowings up to $100 million or for standby support for a commercial paper program. The interest rate on bank borrowings is either the bank's prime rate, the LIBOR rate plus ⅛%, or transaction loan rates, depending on the type of loan. A commitment fee of $100,000 per year plus a fee based upon average utilization and certain other fees are also payable. At November 30, 1987, there were no borrowings under this agreement.

At November 30, 1987, of the aggregate $105 million of borrowings outstanding under all borrowing agreements, $75 million is classified as long term, representing the lowest amount of bank loans expected to be outstanding within the succeeding twelve months; the remaining $30 million was paid from cash generated from operations, subsequent to year end.

Long Term Debt

At November 30, 1987 and 1986, long term debt, less current maturities, comprised the following (000's omitted):

	1987	1986
Notes payable to banks	$ 75,000	$ 20,000
8½% sinking fund debentures (due 1996)	12,930	12,945
9¼% promissory notes	5,200	10,400
Industrial development bonds	25,334	25,964
Other debt, extending to 2003	1,290	1,551
	$119,754	$ 70,860

The 8½% sinking fund debentures, originally $35 million, have been reduced by purchases which are being applied to sinking fund requirements of $1.75 million annually; $19.25 million was applied to 1978 through 1988, and $2.82 million is available for future use.

The 9¼% promissory notes, originally $25 million, are payable in annual installments of $2.6 million on each December 1. On December 1, 1987 and 1986 the Company made an optional prepayment of $2.6 million. An additional $2.3 million prepayment may be made without premium in amounts equal to and at the dates of the required payments; additional prepayments of the remainder may also be made at varying premiums.

The industrial development bonds, which mature on varying dates from 1988 through 2015, were issued by development authorities for the purchase or construction of various manufacturing or retail facilities. The bond proceeds were used for various properties which have a carrying value at November 30, 1987 of $22 million. Interest rates on the various borrowing agreements range from ⅞ of 1% to 8.5% (average of 5.3% at November 30, 1987).

Other long term debt includes installment notes and mortgages with interest rates ranging from 6% to 10% per annum. (Average interest rate of 8.6% in 1987 and 8.9% in 1986.)

The approximate principal requirements of non-bank debt during the next five years are as follows: $6.1 million in 1988; $3.6 million in 1989; $4.2 million in 1990; $2.6 million in 1991; $2.5 million in 1992.

Under the most restrictive provision of the Company's borrowing agreements, the Company may incur total funded debt up to approximately the amount of shareholders' equity. At November 30, 1987, senior funded debt was limited to approximately $275 million. Consolidated working capital was $319 million at November 30, 1987 compared with $197 million required to be maintained by the Company. Consolidated retained earnings of $76 million at November 30, 1987 plus 80% of earnings thereafter are available for the payment of future cash dividends.

Leases

The Company and its subsidiaries operate principally in leased retail, manufacturing and warehouse facilities, entirely under operating leases. A number of the leases contain renewal options ranging from 5 to 25 years. Some leases provide for contingent rental payments, generally based on the sales volume of the retail unit.

At November 30, 1987, total minimum rentals are as follows (000's omitted):

Years	
1988	$ 35,268
1989	32,096
1990	28,680
1991	24,412
1992	19,732
Thereafter	65,368
Total minimum rentals due	$205,556

Rental expense, including rentals under short term leases, comprised the following (000's omitted):

	1987	1986	1985
Minimum rentals	$45,028	$44,118	$40,408
Contingent rentals	5,265	5,998	7,887
Sublease income	(685)	(1,997)	(2,031)
Total rental expense	$49,608	$48,119	$46,264

Most leases provide for additional payments of real estate taxes, insurance, and other operating expenses applicable to the property, generally over a base period level. Total rental expense includes such base period expenses as part of the minimum rentals and also includes the additional expense payments.

Stock Option Plans

The Company has stock option plans under which officers and key employees may be granted options to purchase the Company's common stock at prices equal to the fair market value at date of grant. Options under all plans approved by the shareholders before 1980 are exercisable to the extent of 25% each year (cumulative) from the second through the fifth year, and expire five to ten years after date of grant. Options under the 1980, 1982 and 1985 Stock Option Plans may be exercisable as to all or any portion of the shares granted at any time during the period beginning one year after the date of grant, if the participant has been employed by the Company for at least five years. All options expire on April 7, 1990 for the 1980 Plan and ten years after date of grant under the 1982 and 1985 Plans.

The 1980, 1982 and 1985 Plans also provide for the discretionary grant of stock appreciation rights in conjunction with the option which allows the holder a combination of stock and cash equal to the gain in market price from the grant until its exercise; the cash payment is limited to one-half of the gain, and when options and rights are granted in tandem, the exercise of one cancels the other. The 1985 Plan provides for the discretionary grant of restricted stock awards which allows the holder to obtain full ownership rights subject to terms and conditions specified at the time each award is granted.

Stock options outstanding at November 30, 1987 included 394,203 granted in tandem with stock appreciation rights. Options for 494,225 shares were exercisable at November 30, 1987 at prices ranging from $4.50 to $28.75. At November 30, 1987, 1,019,937 shares were reserved for options and restricted stock awards granted or to be granted; 101,298 shares were available for the granting of future stock options and/or restricted stock (453,922 at November 30, 1986).

Information regarding stock option activity for the three years ended November 30, 1987 (after giving retroactive effect to the three-for-two stock split) is as follows:

Stock Option Plans summary

	Options Outstanding		
	Number of Shares	Appreciation Rights	Price Per Share
Balance at November 30, 1984	727,776	345,124	$ 4.33 to $21.50
Granted	205,875	127,650	$19.83 to $22.00
Exercised	(212,106)	(25,659)	$ 4.33 to $20.06
Expired or terminated	(14,628)	(70,020)	$ 8.75 to $21.63
Balance at November 30, 1985	706,917	377,095	$ 4.50 to $22.00
Granted	223,538	107,475	$25.34 to $28.75
Exercised	(211,200)	(93,494)	$ 4.50 to $21.63
Expired or terminated	(16,579)	(1,800)	$ 7.03 to $27.84
Balance at November 30, 1986	702,676	389,276	$ 4.50 to $28.75
Granted	262,125	137,850	$26.19 to $30.81
Exercised	(133,894)	(108,454)	$ 4.50 to $27.84
Expired or terminated	(34,869)	(24,469)	$18.67 to $30.25
Balance at November 30, 1987	796,038	394,203	$ 4.50 to $30.81

Stock Purchase Rights

A dividend of one Right per common share was distributed to stockholders of record January 31, 1986. Each common share, adjusted for the May, 1986 3-for-2 stock split, now represents .6667 Right. Each Right, expiring January 31, 1996, continues to represent a right to buy from the Company 1/100th of a share of Series B Junior Participating Preferred Stock, $1.00 par value, at a price of $120. This dividend distribution of the Rights was not taxable to the Company or its stockholders. Separate certificates for Rights will not be distributed, nor will the Rights be exercisable, unless a person or group acquires 20 percent or more, or announces an offer that could result in acquiring 30 percent or more, of the Company's common shares. Following such a distribution, if the Company merges (including a reverse stock split) with a 20 percent or more stockholder, or if such a stockholder acquires 50 percent or more of the Company's shares or engages in certain "self-dealing" transactions, each Right holder, except the 20 percent or more stockholder, has the right to receive, upon exercise, common shares (or, under certain circumstances, cash, property or other Company securities) valued at *twice* the then applicable exercise price of the Right. Similarly, the Rights will be exercisable for the other party's stock (or assets) having a value of *twice* the exercise price if the Company engages in a merger or other business combination where it does not survive or survives with a change or exchange of its common shares or if 50 percent or more of its assets or earning power is sold or transferred.

Each 1/100th share of Preferred Stock purchased for $120 will pay a dividend , adjusted for the May, 1986 3-for-2 stock split, equal to 1½ times that paid on each common share, or if more, 7½ cents quarterly. However, if the Right is used to buy the Preferred Stock, it cannot be used to purchase the common shares or other assets valued at *twice* the $120 exercise price.

Generally, Rights may be redeemed for five cents each if all Rights are redeemed by the tenth day following public announcement that a 20% or greater position has been acquired in Hartmarx stock. Until exercise, a Right holder, as such, has no rights as a stockholder of the Company.

Retirement Benefits

Pension Plans

The Company participates with other companies in the apparel industry in making collectively-bargained contributions to pension funds covering most of its union employees. The contribution rate of applicable payroll is based on the actuarially recommended amount necessary to fund the costs of the benefits. Pension costs relating to multi-employer plans were approximately $13 million in 1987, $11 million in 1986, and $10 million in 1985.

The Multi-employer Pension Plan Amendment Act of 1980 amended ERISA to establish funding requirements and obligations for employers participating in multi-employer plans, principally related to employer withdrawal from or termination of such plans, whereupon separate actuarial calculations of the Company's position with respect to multi-employer plans would be determined.

The principal Company sponsored pension plan is a non-contributory defined benefit pension plan covering substantially all eligible, non-union employees. Certain of the Company's subsidiaries have other defined benefit and contribution plans, which in the aggregate are not significant.

Under the principal plan, retirement benefits are a function of years of service and average compensation levels during the highest five consecutive salary years occurring during the last ten years before retirement.

It is the Company's policy to fund the plans on a current basis to the extent deductible under existing tax laws and regulations. Such contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future.

Effective December 1, 1985, the Company adopted the provisions of Statement of Financial Accounting Standards No. 87—Employer's Accounting for Pensions. Pension income for 1987 and 1986 for the principal plan included the following components (000's omitted):

	1987	1986
Service cost—benefits earned during the period	$ (3,122)	$ (3,480)
Interest cost on projected benefit obligation	(4,825)	(4,511)
Return on plan assets	8,240	7,539
Net amortization and deferral	3,453	3,453
Net periodic pension income	$ 3,746	$ 3,001

The weighted average discount rate and rate of increase in future compensation levels used in determining the projected benefit obligation were 8¾% and 6%, respectively. The expected long-term rate of return on the Company sponsored plan assets was 8¾%.

In accordance with the provisions of Statement No. 87, pension expense for prior periods has not been restated. A pension expense provision was not required in 1985, as amortization of actuarial gains substantially offset normal costs.

The Company sold its Chas A. Stevens subsidiary during 1986 and the accrual of further pension benefits ceased as of the date of sale. This event qualified as a curtailment under the provisions of Statement of Financial Accounting Standards No. 88. The projected benefit obligation exceeded the accumulated benefit obligation for Stevens' employees and, accordingly, the accompanying financial statements for 1986 reflect an additional $760,000 of pre-tax pension gain.

Plan assets consist primarily of publicly traded common stocks and corporate debt instruments, and units of certain trust funds administered by the Trustee of the plan. At November 30, 1987, the plan assets included 405,212 shares of the Company's stock with a market value of $8.8 million.

The following sets forth the funded status of the principal plan at November 30, 1987 and 1986 (000's omitted):

	November 30, 1987	1986
Actuarial present value of benefit obligations:		
Vested benefits	$(47,576)	$(41,172)
Non-vested benefits	(1,912)	(2,049)
Accumulated benefit obligation	(49,488)	(43,221)
Effect of projected future compensation levels	(9,749)	(11,574)
Projected benefit obligation	(59,237)	(54,795)
Plan assets, at fair value	88,773	95,331
Plan assets in excess of projected benefit obligation	29,536	40,536
Unrecognized net (gain) loss	5,959	(5,334)
Unrecognized net transition asset	(27,988)	(31,441)
Prepaid pension cost	$ 7,507	$ 3,761

Savings-Investment Plan

The Company offers an employee savings investment plan, under which eligible participants can invest from 1% to 16% of earnings among several investment alternatives, including a company stock fund. An employer contribution equal to one-fourth of the first 6% of the employees' contribution is invested in common stock of the Company. The Company's annual contributions, net of forfeiture credits, were $1.0 million in 1987, and $1.1 million in 1986 and 1985. Participation in the savings investment plan is required to earn retirement benefits under the Company's principal plan. At November 30, 1987, the assets of the fund had a market value of approximately $41 million, of which about $27.4 million was invested in 1,259,888 shares of the Company's common stock.

Taxes on Earnings

The provision for taxes on earnings is summarized as follows (000's omitted):

	1987	1986	1985
Federal	$33,357	$17,666	$28,793
State and local	5,963	3,484	5,357
Total current	39,320	21,150	34,150
Federal	(7,245)	1,337	3,745
State and local	(1,295)	263	695
Total deferred (prepaid)	(8,540)	1,600	4,440
Total taxes on earnings	$30,780	$22,750	$38,590

The (prepaid) provision for 1987 reflects $(5.0) million attributable to the impact of the Tax Reform Act of 1986 including deferred gross margin on installment sales, inventory capitalization, accrued vacations and bad debts; also, approximately $(3.6) million represents reversals relating to the purchase in fiscal 1982 and 1983 of tax benefits through tax lease transactions. The deferred tax provision for 1986 includes $3.0 million attributable to accelerated depreciation, offset by $2.0 million reduction of deferred gross margin on installment sales. The deferred provision for 1985 is primarily comprised of $2.8 million related to accelerated depreciation, $2.1 million to deferred gross margin on installment sales and $1.2 million to the tax lease transactions, partially offset by $1.7 million related to other expenses not currently deductible for income tax purposes.

The difference between taxes on earnings reflected in the accompanying statement of earnings and the amount computed by applying the federal statutory tax rate to pre-tax earnings is summarized as follows:

	Percent of Pre-Tax Earnings		
	1987	1986	1985
Taxes computed at statutory rate	41.0%	46.0%	46.0%
State and local taxes on earnings, net of federal tax benefit	3.8	4.3	4.0
Investment tax credit ($.5 million in 1986 and $2.3 million in 1985)	—	(1.0)	(2.9)
Gains on property sales taxed at capital gains rates	—	(2.1)	—
Other – net	(2.1)	.7	.4
Effective tax rate	42.7%	47.9%	47.5%

The provisions of the Tax Reform Act of 1986 (Act), enacted on October 22, 1986, are reflected in the above table; statutory rate reductions are effective July 1, 1987.

Operating Segment Information

The Company is engaged in the business of manufacturing and selling apparel. Approximately 20% of the manufactured products are sold to affiliated companies. The remaining 80% sold to other retailers for resale to consumers comprised about 85% for the Men's Apparel Group and about 45% for Country Miss. No one customer accounts for more than 4% of consolidated sales. Information on the Company's manufacturing and retailing operations for the years ended November 30, 1987, 1986 and 1985 is summarized as follows (in millions):

	Manufacturing			Retailing			Adjustments			Consolidated		
	1987	1986	1985	1987	1986	1985	1987	1986	1985	1987	1986	1985
Sales to unaffiliated customers	$492.4	$487.9	$475.5	$588.0	$575.1	$634.0	$ —	$ —	$ —	$1,080.4	$1,063.0	$1,109.5
Earnings before taxes	71.4	73.4	77.2	18.0	(2.8)	28.0	(17.4)	(23.1)	(23.9)	72.0	47.5	81.3
Gross assets at year end	327.5	293.9	288.9	345.3	345.4	397.5	(12.5)	(17.8)	(17.1)	660.3	621.5	669.3
Depreciation and amortization	10.2	9.3	7.9	11.6	11.1	11.4	.8	.6	.3	22.6	21.0	19.6
Property additions – net	10.0	12.0	14.9	11.4	13.5	17.0	.3	1.6	1.3	21.7	27.1	33.2

Adjustments of gross assets are for corporate cash, net properties, investments and other assets, less intercompany profit in inventory and intercompany receivables.

Adjustments of depreciation and amortization and net property additions are for corporate properties.

Men's Apparel Group shipments of $90 million in 1987, $82 million in 1986, and $92 million in 1985 to Hartmarx Specialty Stores (at the same prices as similar items are sold to unaffiliated retailers) are excluded from sales of the manufacturing segment, although profit on these products is included in manufacturing earnings. For Country Miss, comparable sales amounts are approximately $35 million in 1987, $28 million in 1986, and $25 million in 1985.

Adjustments from earnings before taxes are:

	1987	1986	1985
Interest expense (net of interest income)	$(7.0)	$ (8.1)	$(10.4)
General corporate expenses, intercompany profit elimination and equity in earnings of non-consolidated affiliate	(10.4)	(15.0)	(13.5)
	$(17.4)	$(23.1)	$(23.9)

Responsibility for Financial Statements

Management of Hartmarx Corporation is responsible for the preparation of the Company's financial statements. These financial statements have been prepared in accordance with generally accepted accounting principles and necessarily include certain amounts based on management's reasonable best estimates and judgments giving due consideration to materiality.

In fulfilling its responsibility, management has established cost-effective systems of internal controls, policies and procedures with respect to the Company's accounting, administrative procedures and reporting practices which are believed to be of high quality and integrity. Such controls include approved accounting, control and business practices and a program of internal audit. The Company's business ethics policy, which is regularly communicated to key employees of the organization, is designed to maintain high ethical standards in the conduct of Company affairs. Although no system can ensure that all errors or irregularities have been eliminated, management believes that the internal accounting controls in place provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization, and that financial records are reliable for preparing financial statements and maintaining accountability for assets.

The Audit Committee of the Board of Directors meets periodically with the Company's independent public accountants, management and internal auditors to review auditing and financial reporting matters. This Committee is responsible for recommending the selection of independent accountants subject to ratification by shareholders. Both the internal and independent auditors have unrestricted access to the Audit Committee, without Company management present, to discuss audit plans and results, their opinions regarding the adequacy of internal accounting controls, the quality of financial reporting and other relevant matters.

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John R. Meinert
Chairman and Chief Administrative Officer

Harvey A. Weinberg
Vice Chairman and Chief Executive Officer

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Vice President Human Resources

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Group Executive Vice President

Homi Patel
Group Executive Vice President

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Executive Vice President

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Henry Grethel

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Ⓒ Compensation and Stock Option
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Ⓜ Management Operations
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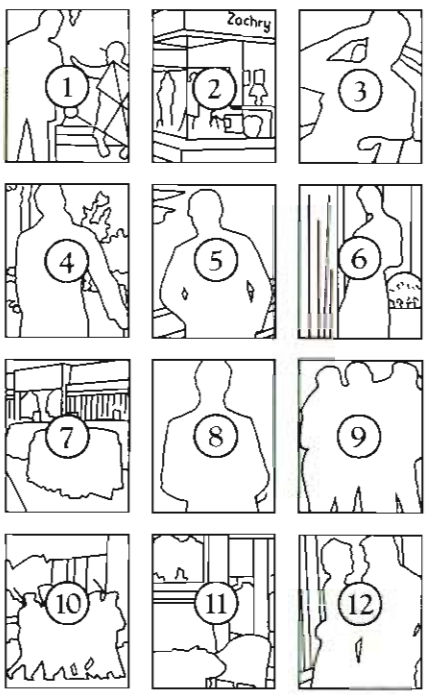
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Hartmarx Corporation

The Cover



① Sansabelt by Jaymar-Ruby
② Hartmarx Specialty Store
③ Yorke Shirt/Briar Neckwear
④ Gleneagles Raincoat
⑤ Jack Nicklaus Blazer
⑥ Lady Sansabelt by Jaymar-Ruby
⑦ Kuppenheimer Store
⑧ Hart Schaffner & Marx Suit
⑨ Henry Grethel Sportswear
⑩ Thorngate Uniforms
⑪ Graham & Gunn Store
⑫ Racquet Club Sport Coat

Hartmarx Corporation
101 North Wacker Drive
Chicago, Illinois 60606
(312) 372-6300

Transfer Agent and Registrar
The First National Bank of Chicago
Chicago, Illinois 60670

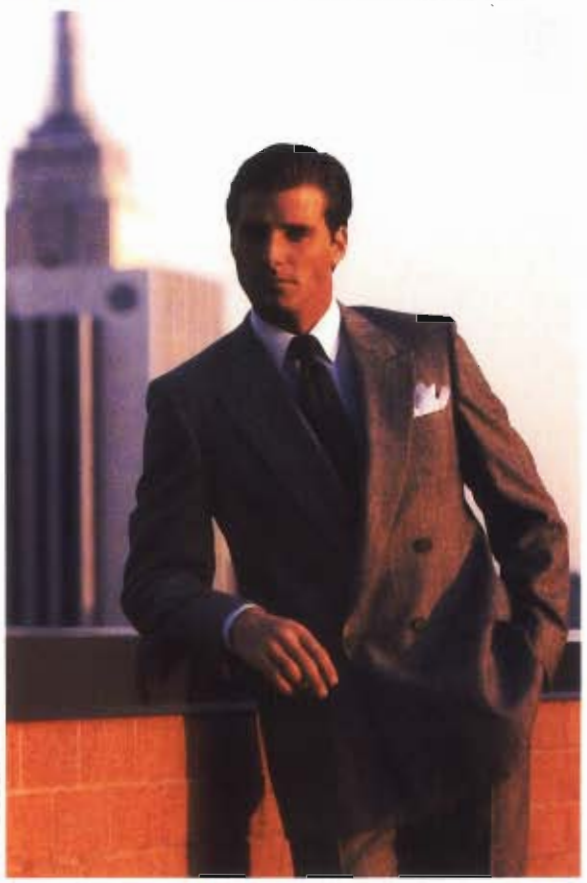
Form 10-K
Hartmarx Corporation will provide to any shareholder, without charge, a copy of its Annual Report on Form 10-K, as filed with the Securities and Exchange Commission (but without exhibits). Requests should be in writing to: Hartmarx Corporation, attention: Mrs. Kay C. Nalbach, Assistant Secretary, 101 North Wacker Drive, Chicago, Illinois 60606

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100TH ANNIVERSARY



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